Texas A&M University-Corpus Christi  
College of Business  
Forensic Accounting  
Course Syllabus – Spring MiniMester II 2014  
(March 17 – May 14)  
[Creation date: 11/27/2013]

Course Number: ACCT 5340.w01  
Course Name: Forensic Accounting  
Delivery: Entirely Web-based (on-line)  
Instructor: Donald R. Deis, Ph.D., CFE, CPA  
Joslin Endowed Chair in Accounting  
Office: OCNR 387  
Office Phone: (361) 825-2826  
Mobile Phone: (361) 658-1925 – include your name and course # in text messages  
Office Hours: TR: 2:00 – 4:00 PM or by appointment  
Required Materials: Forensic Accounting and Fraud Examination. 2008.(2nd ed.) William S. Hopwood, Jay Leiner & George Young. Mc-Graw-Hill Irwin. ISBN 978-0-07813666-5. Audimation Services, Inc.: IDEA (for academics). It is available on many on the stations in OCNR computer lab or you can order direct from Automation Services Inc. using order form at the end of this syllabus – cost is approximately $60, shipping cost is extra. IDEA works on PC’s not Apple computers. IDEA currently is NOT compatible with Windows Version 8. It is possible that we will use Picalo (free download at www.picalo.org ), Access, Excel, or ACL (also in the computer labs) for some assignments.

Readings and other materials on Island Online Blackboard 9.1 (Bb9.1).

Prerequisites: Graduate standing and ACCT 3340, Fraud Examination or ACCT 4311, Auditing Principles or equivalent.

Course Description:  
The course will cover the concepts and skills of forensic accounting investigations. Course focuses on the methods and technological tools used to detect occupational fraud including the steps in conducting an investigation, use of technological tools, witness and suspect interviewing techniques, investigation report writing, and expert testimony.

Learning Objectives:  
By the end of this course, the students will be able to demonstrate:
- an understanding of the traits of the most common occupational fraud schemes,
- knowledge of the steps necessary to conduct a forensic accounting investigation,
- the ability to use technological tools commonly used in forensic accounting, and
- questioning and interviewing skills used in conducting forensic accounting investigations.

Relationship to Other Coursework:  
This course builds on prior coursework in the fraud examination and auditing areas. It builds on ACCT 3340, Fraud Examination, which covers the psychology of occupational fraud and the analysis of the most common occupational fraud schemes. It builds on ACCT 4311, Auditing, which covers the concepts of audit examinations conducted in the typical case where fraud is not suspected. This course complements ACCT 3340 and 4311 by covering the techniques necessary to conduct investigations when fraud is suspected. Consequently, it represents a highly specialized form of auditing that uses unique audit approaches, technological tools, and other investigation
techniques commonly referred to as “forensic accounting.” All major accounting firms now have forensic accounting groups that are called in upon the discovery of suspected fraud. Moreover, the Public Company Accounting Oversight Board (PCAOB), charged by Congress with the oversight of all registered public accounting firms, is proposing that every audit team on a publicly traded client have a forensic accountant as one its members.

**Instructional Methodology:**

This class is online. It consists of review of materials online, short online quizzes to reinforce the material, video assignments, case studies, and online discussion.

Students will conduct a set of financial statement data analysis projects using technological tools commonly used in practice.

Each student will participate in discussion boards set up by the course instructor to cover selected forensic accounting topics.

Students will conduct a data analysis project in the area of accounts receivable, accounts payable, inventory, or financial statement fraud using technological tools commonly used in practice (e.g., IDEA, ACL, Excel). Following completion of the assignment, students will turn in selected software program printouts and analysis as indicated by the assignments. The software programs are available with the textbook (ACL), from Audimation Inc. (IDEA), and Bb (Excel worksheets and data files). IDEA and ACL are also available in the O’Connor Building Computer Labs located on the second floor of the O’Connor Building.

**Performance Evaluation and Grading:**

Student performance evaluation may be based on Bb participation, quizzes, data analysis assignments, and other assignments. The relative weight of each of these components is as follows:

- Chapter Bb Quizzes (n=10) 30%
- Video Assignments/Bb Quizzes (5) 20%
- Forensic Data Analysis Exercises (4) 20%
- Financial Analysis Exercises using annual reports 20%
- Fraud Scheme Analysis Paper 10%

Total 100%

**Bb9.1 Submission of assignments:** Use Bb9.1 to submit all student assignments (financial analysis project and management accounting mini-cases) to the instructor.

**Filename convention for all assignments.** Course#_assignment#_yourlastname naming convention for submission of all assignments. Example, exercise#1 (EXER1) submitted by Ronnie Arrow should be named “ACCT5340_EXER1_Arrow.”

**Due Dates for Assignments.** Dues dates associated with assignments are “suggested.” You can go at your own pace as long as you complete all of the assignments by the end of the semester. Dues dates are for those who want help in time management.

**Quizzes.** Three attempts are allowed for each quiz. Each attempt has a 60 minute time limit. The highest quiz grade counts toward the course grade. Since essay questions must be graded manually, the quiz score result will not occur automatically. After each quiz attempt is graded, the score will be indicated in “My Grades” and the incorrectly answered questions will be revealed in the quiz attempt. **It is highly recommended that you wait for your quiz score before starting a new attempt.**

**Assignment Grades & Feedback.** I will provide feedback and assignment grades by email within Bb.
A letter grade will be determined based on the percentage earned as follows: A: 90-100%; B: 80-89%; C: 70-79%; D: 60-69%; F: 0-59%.

Oral and Written Communication Content:
This is an online course using Bb9.1.

Technology Application:
Students are expected to be able to use the library’s electronic search applications (e.g., ABI/Inform and Business Source Complete), Microsoft Office applications, and Bb. Presentation technology (e.g., PowerPoint) will be required of all students. Students will conduct a project using data mining software (e.g., IDEA).

Global Perspectives:
The globalization of many companies raises the issue of an accountant's ability to deal with different cultures, languages, management systems, etc. Discussions of international business and accounting will take place at various times during the course.

Demographic Diversity Perspectives:
This course will not specifically address the issue of demographic diversity. Although it is an important aspect of being a manager, it is not as directly related to the accounting function.

Political, Social, Legal, Regulatory and Environmental Perspectives:
This course will not deal with political and social concerns specifically but will on occasion discuss legal, regulatory and environmental issues of concern to accountants. Ethical considerations are discussed throughout the course with respect to accounting procedures and fraud examinations.

Attendance Policy:
Class attendance is required for the periods identified by the instructor. Many classes will be conducted online. Please contact the instructor before class by email or phone, if possible, in the event that you are unable to attend class.

Dropping Class:
I hope that you never find it necessary to drop this or any other class. However, events can sometimes occur that make dropping a course necessary or wise. Please consult with me before you decide to drop to be sure it is the best thing to do. Should dropping the course be the best course of action, you must initiate the process to drop the course by going to the Student Services Center and filling out a course drop form. Just stopping attendance and participation WILL NOT automatically result in your being dropped from the class. 4/11/14 is the last day to drop a class with an automatic grade of “W” this term. 5/5/2014 is the last day to withdrawal from the University (drop all classes).

Grade Appeals:
As stated in University Rule 13.02.99.C2, Student Grade Appeals, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see University Rule 13.02.99.C2, Student Grade Appeals, and University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at http://www.tamucc.edu/provost/university_rules/index.html. For assistance and/or guidance in the grade appeal process, students may contact the Office of Student Affairs.
Academic Honesty:
University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, forgery, or plagiarism. (Plagiarism is the presentation of the work of another as one's own work.) Failure to maintain academic honesty will result in a grade of “0” for the first instance and an “F” in the course on the second instance.

Code of Ethics
This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at [www.cob.tamucc.edu](http://www.cob.tamucc.edu)). Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB.

Disabilities Accommodations:
The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in CCH116.

If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.

Islander Email Accounts
GO to [http://newuser.tamucc.edu](http://newuser.tamucc.edu) you will be asked for you student ID number (not your SSN). If you do not know your student ID, go to S.A.I.L. on TAMUCC homepage and follow instructions. For more info call 825-5618.

Other Helpful University Services
University Counseling Center, 825-2703, Driftwood 107
University Health Center, 825-2601, Sandpiper Building
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<tr>
<th>Week</th>
<th>Chapter &amp; Other readings</th>
<th>Assignments (suggested due date)</th>
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<td><strong>COURSE OUTLINE</strong></td>
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<td><strong>Module 1: Introduction to Forensic Accounting</strong></td>
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<td>Week 1</td>
<td>Ch. 1: Introduction to forensic accounting and fraud examination Article: <em>Survival of the Analytically Fit: The DNA of an Effective Forensic Accountant</em> Article: <em>Snapshot of Workplace Fraud</em></td>
<td>ACFE Video Assignment and Bb quiz: Inside the Fraudster’s Mind</td>
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<td>Ch. 2: The forensic accounting legal environment Article: <em>Basic Legal Concepts</em></td>
<td>Chapter Quiz 1</td>
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<td><strong>Module 2: Fraud Examination Theory, Practice and Methods</strong></td>
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<td>Week 1</td>
<td>Ch. 5: Fraud prevention and management Video: <em>How to Guard Against Fraud</em></td>
<td>Chapter Quiz 2</td>
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<td>Ch. 6: Fraud detection</td>
<td>Chapter Quiz 3</td>
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<td><strong>Module 3: Fraud Investigation</strong></td>
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<td>Week 2</td>
<td>Ch. 7: The fraud investigation and engagement process Article: <em>When You Suspect Fraud</em> <em>The Fraud Examiners</em></td>
<td>ACFE Video Assignment &amp; Bb quiz: The Basics of Asset Misappropriation</td>
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<td>Ch. 8: The evidence collection process Article: <em>Recovery of Embezzled Assets Half a World Away</em></td>
<td>Chapter Quiz 3</td>
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<td>Week 3</td>
<td>Ch. 9: Fraud examination evidence I: physical, documentary, and observational evidence</td>
<td>Chapter Quiz 4</td>
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<td>Week 3</td>
<td>Ch. 10: Fraud examination evidence II: Interview and interrogation methods Article: <em>Common Question-Evasion Tactics</em> <em>Rules for the Written Record</em></td>
<td>ACFE Video Assignment and Bb quiz: Effective Techniques for Interview &amp; Communication</td>
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<td>Week 4</td>
<td>Ch. 11: Fraud examination evidence III: Forensic science and computer forensics</td>
<td>Start data analytics exercises: Perform steps in IDEA Case Study provided online and additional data analysis exercises.</td>
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<td>Week 4</td>
<td>CH. 12: The fraud report, litigation, and the recovery process. Articles: <em>So You Want to Be an Expert Witness</em></td>
<td>ACFE Video Assignment and Bb quiz: The Fraud Trial</td>
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<td><strong>Module 4: Occupational and Organizational Fraud</strong></td>
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<td>Week 5</td>
<td>Ch. 13: Employee, vendor, and other frauds against the organization Article: <em>Selecting the Right Investigative</em></td>
<td>Chapter Quiz 5</td>
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<td>Resource*</td>
<td>Chapter Quiz 6</td>
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| Ch. 14: Financial statement fraud  
Reading: Deloitte (2009), *Ten things about financial statement fraud – third edition*  
JOA, 12/2009, "Detecting Circular Cash Flow"  
Article: "Applying Forensic Skepticism to Lost Profits Valuations" | ACFE Video Assignment & Bb quiz: “How to Detect & Prevent Financial Statement Fraud”  
Start: Financial Analysis Exercise—using selected corporate annual reports and Excel worksheets. |

**Week 5**

**Module 5: Specialized Fraud Areas**

| Week 6 | Ch. 16: Tax fraud  
*IRS Issues 2010 List of ‘Dirty Dozen’ Tax Scams* | Chapter Quiz 7 |
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| Week 6 | Ch. 17: Bankruptcy, divorce, and identity theft  
Article: “Phight Phraud” | Chapter Quiz 8 |
| Week 7 | Ch. 18: Organized crime, counterterrorism, and anti-money laundering  
Article “Guard Against Cybertheft” | Chapter Quiz 9 |
| Week 7 | Turn in Financial Analysis Exercise | Chapter Quiz 10 |
| May 8-14 | Final Exam Week | Turn in Fraud Scheme Project Paper |

*Subject to change at discretion of the instructor.*